



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 530** HLS 13RS 160

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 18, 2013	2:21 PM	<b>Author:</b> GEYMANN
<b>Dept./Agy.:</b>		
<b>Subject:</b> Contingent Appropriations		<b>Analyst:</b> Travis McIlwain

BUDGETARY CONTROLS

OR SEE FISC NOTE GF RV

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(Constitutional Amendment) Provides relative to the budget process

Proposed constitutional amendment provides that no contingent appropriations shall be made. Proposed constitutional amendment provides that unless otherwise provided in the constitution the amount appropriated out of any fund shall not exceed the official forecast of money available for appropriation from that fund. Proposed constitutional amendment specifies that the REC must designate as recurring or nonrecurring money to be received by each fund and provides that the REC must use the definition of nonrecurring as it appears in law to designate revenues as recurring or nonrecurring. Proposed constitutional amendment provides that the governor’s executive budget shall be in accordance with the official forecast as adopted by the REC.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION


There is no anticipated direct material effect on governmental expenditures as a result of this measure. To the extent the legislation ultimately results in the REC estimating monies from all dedicated funds, there may be a significant increase in workload for the Office of Planning and Budget and the Legislative Fiscal Office as there are over 400 statutorily dedicated funds. Economists in these offices currently present a forecast for the state general fund and only a small number of dedicated funds. The extent of the additional workload will depend on the forecasting/projecting methods employed.

The proposed bill provides for a constitutional amendment to be submitted to voters at the November 4, 2014 election. The November 4, 2014 election is a statewide election, when all precincts in the state are scheduled to be opened. As a regular practice, the Secretary of State budgets for up to 10 constitutional amendments for the fall statewide elections.

REVENUE EXPLANATION

This bill would require the REC to include within its state general fund revenue forecast all resources that support the executive budget/general appropriations bill (not already included within the current forecast) and determine if such resources are either recurring or nonrecurring.

For **illustrative purposes**, if this constitutional amendment had been in place during the building of the current year budget (FY 13), the REC would have likely considered the following items that are currently supporting the FY 13 budget in its SGF discussions: \$58.6 million - Rescinded Nonrecurring & recurring SGF capital outlay projects (Act 23); \$96.8 million - Act 597 resources, which include: \$2.8 million from the LA Tourism District, \$56 million from the Self Insurance Fund, \$10 million from the sale of NOAH, \$7 million from Mortgage Settlement receipts, \$11 million from the LA Housing Corporation, \$20 million from the Morial Convention Center, \$44 million from various fund sweeps, \$47.3 million from AWP legal settlements, \$3.9 million from self-generated revenues from the Department of Revenue, \$110.4 million from Go Zone Debt repayments; \$13.1 million from the LA Land Trust revenues (utilized in FY 13 to support LA-4); \$15.2 million from adopted TOPS constitutional amendment. Note: The proposed bill provides for the fund balances being utilized to support the budget to be certified by the state treasury. **(See Page 2)**

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}	<div> <b>John D. Carpenter</b> Legislative Fiscal Officer</div>
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	



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CONTINUED EXPLANATION from page one:

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In addition to requiring the REC to include in its forecast all money that supports appropriations, this bill also specifies that no contingent appropriations shall be made and that the governor’s executive budget shall be in accordance with the official forecast adopted by the REC. Thus, there could likely be fewer resources available for operating expenditures unless such resources have been considered by the REC and designated as recurring.

Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- ☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
- ☐ 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
- ☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**John D. Carpenter**  
**Legislative Fiscal Officer**